



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2009 Biennium

<b>Bill #</b>	SB0473	<b>Title:</b>	Revise ethanol laws
<b>Primary Sponsor:</b>	Black, Jerry W	<b>Status:</b>	As Introduced

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input type="checkbox"/> Needs to be included in HB 2  | <input type="checkbox"/> Technical Concerns              |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

### FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$443,158	\$473,934
<b>Net Impact-General Fund Balance:</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Description of fiscal impact:** This bill eliminates the tax reduction for ethanol blended gasoline (E10) containing at least 10% denatured ethanol beginning on the date that ethanol blended fuel is required under 82-15-121, MCA. The gasoline tax revenue would be increased since the tax reduction would be eliminated on that date.

### FISCAL ANALYSIS

#### Assumptions:

##### **Department of Transportation**

1. By June 1, 2008 there will be more than 40 million gallons of denatured ethanol produced in Montana.
2. By September 1, 2008, the 40 million gallon production level of denature ethanol has been maintained for three months.

3. On or after October 1, 2008, the Department certifies that the State of Montana has produced 40 million gallons of denature ethanol.
4. Twelve months later, on October 1, 2009, the retail stations are required to sell ethanol blended gasoline containing 10 % ethanol (E10). The motor fuel tax on the ethanol blended gasoline fuel will be .27 cents a gallon.

	<b><u>FY 2008 Difference</u></b>	<b><u>FY 2009 Difference</u></b>	<b><u>FY 2010 Difference</u></b>	<b><u>FY 2011 Difference</u></b>
<b><u>Fiscal Impact:</u></b>				
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$443,158	\$473,934
<b>TOTAL Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$443,158</b>	<b>\$473,934</b>

**Net Impact to Fund Balance (Revenue minus Funding of Expenditures):**

General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$443,158	\$473,934

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*Sponsor's Initials*\_\_\_\_\_  
*Date*\_\_\_\_\_  
*Budget Director's Initials*\_\_\_\_\_  
*Date*